

TABLE A-2 (Continued)

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- a/ Although this is an appropriation program at the state level, federal reimbursement of the states is an entitlement. Therefore, for purposes of this paper, the program is considered an entitlement.
 - b/ In schools with no other federal nutrition programs, the floor on federal reimbursement for paid milk is indexed, but this describes only a small number of cases, and has not been treated as a separate indexed program in this paper.
 - c/ The value of the HCFA market basket used in the calculation of maximum routine hospital cost reimbursement rates represents forecasted levels based on historical data through the end of the most recent calendar year.
 - d/ The Medicare Economic Index reflects wage data with a one-year lag.
 - e/ Beneficiaries who are receiving both SSI and SS, and who lose SSI eligibility due to increasing SS benefits, cannot by law lose Medicaid eligibility--hence, for those beneficiaries, the eligibility criterion for Medicaid is indexed to Social Security benefits.
 - f/ The CSA poverty guidelines are equivalent to the OMB guidelines, except that there is occasionally a shorter lag period between the collection of price data and its incorporation into the CSA poverty guidelines.
 - g/ Budget authority for the Community Services Administration's Energy Crisis Intervention Program beginning in FY81 rests with the Health and Human Services Low Income Energy Assistance Program. CSA will continue to operate the program, but its funding will come through the funding of the HHS program.
 - h/ The income eligibility formula described above is the Basic Grants formula. Under current law, institutions are given an option as to the formula used to determine program eligibility, provided that the chosen formula is either the Basic Grants formula or generates
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(Continued)

TABLE A-2 (Continued)

income eligibility figures within \$50.00 of the BLS Lower Income Standard in at least 75 percent of the sample cases. Pending legislation will require a more consistent procedure, since the Basic Grants formula itself, were it at present to be subjected to the same test, would not qualify.

- i/ Target prices are adjusted annually to reflect changes in variable, machinery, and farm overhead costs for each crop. An amendment to the 1977 act allows additional adjustments to be made for wheat and corn to reflect changes in "short term costs" as determined by the USDA, those costs which producers must meet to stay in business from one year to the next. Disaster payments for these commodities are also indexed to the target price.
 - j/ The present method of computing parity prices for farm commodities is defined in the Agricultural Adjustment Act of 1938, as amended by the Agricultural Acts of 1948, 1949, 1954, and 1956. The parity price for any agricultural commodity is determined by multiplying the commodity's adjusted base price by the current Index of Prices Paid by Farmers (commonly known as the parity index). A commodity's adjusted base price is determined by dividing the most recent 10-year average price received for the commodity by the most recent 10-year average of the Index of Prices Received by Farmers. The Index of Prices Received is a measure of changes in the average price level of all agricultural commodities that farmers sell.
 - k/ Outlay estimates for the agricultural commodity programs are subject to a wide margin of error.
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APPENDIX B. ESTIMATED CHANGES IN INCOME FOR RECIPIENTS OF
SELECTED BENEFIT PROGRAMS

This appendix examines the income changes that have occurred between fiscal years 1976 and 1980 for three groups whose benefits are subject to differing degrees of indexation. The groups chosen for examination are the recipients of (1) Aid to Families With Dependent Children (AFDC); (2) Supplemental Security Income (SSI); and (3) Social Security and Railroad Retirement (SS/RR) benefits.

Indexation provisions for these groups vary considerably. For example, AFDC benefit levels are set by the states, which generally do not index them. In most states, adjustments to benefit levels are made on an irregular and ad hoc basis. There is no federal requirement for automatic indexation of any portion of AFDC benefits, and few states have enacted automatic cost-of-living increases.¹

The SSI program is a partially indexed transfer program. Basic income guarantee levels are set by the federal government, and these basic SSI levels are adjusted annually for changes in the CPI. Most states, however, supplement the federal SSI guarantee for some or all of the recipients in their jurisdictions. States that pay supplements are required to pass through the federal cost-of-living adjustments, but there is no requirement that state supplementary benefit levels be similarly

1. Only California, Hawaii, and Massachusetts have introduced explicit indexation into their benefit formulas, and these provisions have been intermittently suspended during recent periods of high inflation. See Vee Burke, "State AFDC Benefit Levels and Inflation: Law and Recent History," Congressional Research Service (February 1979; processed).

indexed. Since few states index the supplements, the total benefits are only partially indexed.²

The SS/RR program is fully indexed. Initial benefit levels are based on preretirement earnings, adjusted annually thereafter for changes in the CPI.³

In this appendix, the discussion assumes that changes in purchasing power or real income are measured by adjusting nominal income for changes in the Consumer Price Index (CPI) because this is current practice. As the text has indicated, the CPI may not be the best index to use for this purpose. If an alternative

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2. All states except Texas pay some SSI supplement, but not all recipients of federal SSI benefits within a state receive the supplement. In June 1980, 46 percent of federal SSI recipients were receiving state supplements. Over the period from 1976 to 1980, maximum supplementary benefits in 26 states kept pace with the rate of increase in the federal SSI benefit level. They increased at a rate below the rate of increase in the federal SSI benefit in 12 of the states that paid state supplements over the whole period and increased at a rate above that for the federal payments in 5 of these states. Three states plus the District of Columbia introduced state supplements during this period. Data for three states are unavailable. The cross-state average of maximum federal plus optional state-supplement SSI benefit levels rose over the five-year period 1974 to 1979 at the same rate as the indexed federal benefit. However, the average of maximum benefit levels masks considerable diversity across the states as well as among recipients within each state.
 3. All of the Social Security benefit is automatically adjusted for changes in the CPI. Tier I of the railroad retirement benefit is automatically adjusted, but Tier II is not. The data do not permit separation of RR beneficiaries from SS beneficiaries. Because railroad retirement beneficiaries are a small proportion of SS/RR recipients, there is little inaccuracy in treating SS/RR as a fully indexed program. See Handbook of Public Income Transfer Programs: 1975, Paper No. 20, Studies in Public Welfare, Subcommittee on Fiscal Policy Joint Economic Committee, U.S. Congress (December 31, 1974), pp. 42-50.

measure such as the Personal Consumption Expenditure (PCE) index were used, measured cost-of-living increases over the period from 1976 to 1980 would be smaller, resulting in larger increases or smaller decreases in real income than are obtained using the CPI.

Over the period from 1976 to 1980, the real value of maximum AFDC benefits for a family of four fell by about 19 percent, on average across states. Maximum SSI and SS/RR benefits maintained almost constant value, on average. In this appendix, changes in the total income of these target population families are examined in order to determine how these transfer program effects have been offset by changes in other family income sources. Because of limitations in the data available for this purpose, however, the income differences reported are partly the result of changes in the composition of the target populations sampled rather than solely of income changes for a fixed group of families.

This appendix consists of three sections: a summary, estimates of changes in income, and a description of the method used to estimate income changes for the target groups.

SUMMARY

The information presented in this appendix must be viewed as preliminary. The data used to prepare these tabulations are based on CBO projections for fiscal year 1980, and on CBO imputations of transfer income for fiscal years 1976 and 1980. Although great care has been taken in the development of these data bases, accuracy in projections is difficult, if not impossible, to ensure. The 1980 data base, in particular, must be viewed with caution. However, the following observations may be made:

- o Despite a decline in the real value of maximum benefits under the AFDC program (an unindexed program), it appears that female-headed AFDC families were able to maintain average real total income levels by a substantial increase in family earnings. Most of this increase in family earnings occurred within the AFDC filing unit. This population was one of the poorest in relative terms in 1976 and, despite its success at maintaining real purchasing power, remained one of the poorest in 1980. Only SSI-unrelated individuals were poorer among the populations examined here.

- o Despite the real income protection afforded SSI benefits, multiperson SSI families experienced a decline of 24 percent in purchasing power from 1976 to 1980, due largely to a reduction in their family earnings. By contrast, unrelated individuals receiving SSI payments experienced an increase of 10 percent in real purchasing power--due largely to a substantial increase in Social Security receipts--but despite this increase they were still the poorest of the groups examined.
- o Although SS/RR benefit levels kept pace with inflation--with only a small lag--from 1976 to 1980, this population experienced a 7 or 8 percent decline in purchasing power over the period. This is because their earnings and private unearned family income failed to keep pace with inflation.
- o Despite the decline in average real purchasing power described above for several of the target populations, none of them experienced an increase in the incidence of poverty over the period from 1976 to 1980, when food stamps are included in the income measure. When food stamps are not included in the measure of income, the SSI population (both families and unrelated individuals) experienced a small increase in poverty incidence.
- o The food stamp program acts as a partial offset to money income changes resulting from the combined effects of cash transfer programs and other family income sources. Gains in money income that would otherwise increase real purchasing power and reduce poverty incidence are partially neutralized by food stamp benefit reductions. On the other hand, money income changes that would otherwise be insufficient to maintain real purchasing power or to meet increased family needs are supplemented by the food stamp program. Thus, food stamp benefits are inversely related to the recipient unit's money income. This is because the bonus value of food stamps to which a recipient unit is entitled is equal to the value of the unit's food stamp guarantee less a portion of its income.

ESTIMATES OF CHANGES IN MEAN INCOME

Few of the population groups examined here maintained their real income over the period from 1976 to 1980 (see Table B-1). For the total population of multiperson families, average money income as well as money income plus food stamps increased by nearly 29 percent over this period, while the CPI increased 35 percent. Among the transfer target populations, only female-headed AFDC families had average income gains equal to or greater than the CPI. Male-headed AFDC families (the unemployed-parent component of AFDC), SSI families, and SS/RR families lost ground in real-income terms. The figures also indicate, however, that it is earnings, rather than changes in transfer payments made to each target group, that largely account for the total income changes. Further, because average family size declined over the period from 1976 to 1980, a decline in real income did not necessarily translate into a decline in living standard.

Real income for the total population of unrelated individuals increased from 1976 to 1980, although this is more likely to have reflected a change in the composition of the population of unrelated individuals than a widespread increase in real income for particular individuals. The average value of their money incomes (and of their money incomes plus food stamps) increased by 46 percent from 1976 to 1980, exceeding the increase in the CPI over the period. Because a larger proportion of the population is choosing now to live alone, especially among the relatively affluent, the average change in income reported in Table B-1 for unrelated individuals may overstate the change experienced by particular individuals.

AFDC Families. Few states have indexed their AFDC benefit schedules, and periodic ad hoc adjustments have generally failed to keep pace with the CPI. Program data from the Department of Health and Human Services for the latter half of the 1970s show a 10 percent reduction in the real value of AFDC maximum benefit levels for a family of four, averaged across all states.⁴ This

4. See "Transfer Recipients and the Poor During the 1970's," by Richard Kasten and John Todd (October 1980), p. 10, giving weighted average data for 1975 and 1979.

TABLE B-1. CHANGE IN AVERAGE FAMILY INCOME COMPONENTS FOR SELECTED POPULATIONS, FISCAL YEARS 1976 AND 1980

	Multiperson Families			Unrelated Individuals		
	Percent Change		Percent of		Percent of	
	1976	to 1980	1976	1980	1976	1980
AFDC Families:						
Total income (including food stamps)	18.2		\$8079	\$9552		
Food stamps	8.0		6.7	6.1		
Money income	19.0		93.3	93.9	N/A	
Earnings	21.4		50.8	52.2		
(Filing unit earnings)	(52.7)		(30.2)	(39.0)		
AFDC payments	13.3		28.5	27.3		
Other	21.9		14.0	14.4		
Female-Headed AFDC Families:						
Total income (including food stamps)	35.3		\$6224	\$8420		
Food stamps	-3.6		10.2	7.3		
Money income	39.7		89.8	92.7	N/A	
Earnings	74.6		36.8	47.5		
(Filing unit earnings)	(109.2)		(26.1)	(40.4)		
AFDC payments	6.6		40.6	32.0		
Other	44.5		12.4	13.2		
SSI Recipients:						
Total income (including food stamps)	2.9		\$12,218	\$12,576	49.2	\$3,074 \$4,587
Food stamps	38.3		1.4	1.8	62.2	2.4 2.6
Money income	2.4		98.6	98.2	48.8	97.6 97.4
Earnings	-38.9		57.7	34.3	-8.0	6.5 4.0
(Filing unit earnings)	(-74.1)		(4.0)	(1.0)	----	----
SS/RR payments	80.9		15.1	26.6	61.2	40.7 44.0
SSI payments	55.7		12.6	19.1	21.9	45.7 37.3
Other	42.3		13.2	18.2	283.3	4.7 12.1

(Continued)

TABLE B-1. (Continued)

	Multiperson Families			Unrelated Individuals		
	Percent Change		Percent of		Percent of	
	1976	to 1980	1976	1980	1976	1980
SS/RR Recipients:						
Total income (including food stamps)	25.1		\$14,879	\$18,608	24.2	\$6,608 \$8,204
Food stamps	-3.4		0.2	0.2	57.7	0.4 0.5
Money income	25.1		99.8	99.8	24.1	99.6 99.5
Earnings	28.7		33.8	34.8	32.8	10.9 11.6
(Filing unit earnings)	(40.5)		(8.1)	(9.0)	----	----
SS/RR payments	34.6		28.9	31.1	38.8	40.2 45.0
Other	14.4		37.1	33.9	10.6	48.5 42.9
Total Population:						
Total income (including food stamps)	28.7		\$18,323	\$23,584	46.3	\$7,289 \$10,665
Food stamps	13.4		0.4	0.4	55.6	0.4 0.4
Money income	28.8		99.6	99.6	46.3	99.6 99.6
Earnings	30.5		80.5	81.5	66.9	60.3 68.7
Other	21.6		19.1	18.0	14.7	39.3 30.9
Percent increase in the all-items urban consumer price index from 1976 to 1980	35.0					

SOURCE: Special tabulations based on the March 1975 and March 1978 Current Population Surveys, aged to represent fiscal years 1976 and 1980 respectively and corrected for underreporting of income. The all-items all-urban-consumers CPI for fiscal 1976 was obtained from the Survey of Current Business by averaging the monthly figures from July 1975 through June 1976; the value obtained was 166.2. For fiscal 1980, the average of CBO 1979 projections for the months from October 1979 through September 1980 was used; that value was 224.4.

NOTE: Unless otherwise specified, all income values are for the family unit, which may include people other than program recipients. Filing unit earnings refer to those of recipients of benefits from the relevant program--AFDC, SSI, or SS/RR benefits.

result is consistent with those shown in Table B-1, which imply a 16 percent reduction in average real benefits paid to AFDC families over a nearly comparable period. Real benefits paid would decline more than real maximum benefits for two reasons: (1) the decline in average filing unit size (from 3.15 to 3.03); and (2) the increase in earnings by AFDC filing units that occurred over the period.

Both before and after food stamps were included in the income measure, female-headed AFDC families maintained their real incomes from 1976 to 1980 and gained slightly relative to the income of the total population--but only because of the substantial increases in their earnings.⁵ The nominal value of food stamps for AFDC families declined slightly over the period; this occurred because the value of (and eligibility for) food stamps is reduced as other family income rises.

The gain in relative welfare was larger than the relative income gains, because AFDC family size fell relative to that in the total population.⁶ The combined effects of real income increases together with family size reductions are evident in the welfare ratios presented in Table B-2. The mean welfare ratio for female-headed AFDC families rose from 1.1 in 1976 to 1.2 in 1980, when money income alone is counted. When the value of food stamps is included in the income measure, the welfare ratio for female-headed AFDC families rose from 1.2 in 1976 to 1.3 in 1980.

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5. AFDC program data show a smaller increase in earnings over a nearly comparable period, and a smaller proportion of recipient units with earnings, than the data used here. This difference occurs, at least in part, because the program data contain earnings information only for those months during the year in which the family unit was receiving AFDC, ignoring the probably larger earnings received during the remainder of the year.
 6. "Welfare" is measured by welfare ratios, which are calculated as the ratio of total family income to the poverty-line income appropriate for each given family. A value greater than one indicates that income exceeds the poverty line for that family.

TABLE B-2. RELATIVE INCOME CHANGES FOR THE AFDC POPULATION,
FISCAL YEARS 1976 AND 1980

	Female-headed AFDC Families		All AFDC Families	
	1976	1980	1976	1980
Ratio for Recipient to Total Population of Average Income				
Excluding food stamps	0.54	0.60	0.41	0.38
Including food stamps	0.59	0.63	0.44	0.41
Ratio for Recipient to Total Population of Average Family Size				
	1.17	1.14	1.18	1.10
Average Welfare Ratio				
Excluding food stamps	1.09	1.20	1.34	1.27
Including food stamps	1.22	1.29	1.44	1.35
Percent with Income Below the Poverty Line				
Excluding food stamps	64.0	51.0	52.0	46.0
Including food stamps	47.0	44.0	40.0	40.0

SOURCE: Special tabulation from CBO tapes.

NOTE: All income values are for the family unit, which may include people other than program recipients.

The incidence of poverty among AFDC families fell slightly from 1976 to 1980, although it remained high. When money income alone is considered, the incidence of poverty among these families fell from 64 percent to 51 percent. When both money income and the value of food stamps are considered, the incidence of poverty fell from 47 percent in 1976 to 44 percent in 1980.

In short, although female-headed AFDC families experienced some relative income gains over the period examined here, their relative living standard remained very low. Further, what gains these families made were due to increases in earnings that more than offset the decline in real AFDC benefit levels that occurred over the period.

Not all AFDC families fared as well as those headed by women. Earnings increases for male-headed AFDC families (which were about 18 percent of all AFDC families in 1980) were not large enough to maintain real income levels in the face of inflation and a decline in the real value of maximum AFDC benefit levels.

AFDC recipients in particular states may have fared considerably worse (or better) than these nationwide average figures indicate. Further, these findings depend heavily on the accuracy of the imputations and projections used by CBO in the preparation of the data bases.

The SSI Population. SSI families experienced a loss of 24 percent in purchasing power between 1976 and 1980 (see Table B-1). Although the SSI population of families started at a higher level of income in 1976 than the AFDC population--relative both to the general population and to the poverty line--they did not make comparable gains. The mean income of SSI families increased by less than 3 percent over the period, while the CPI rose by 35 percent.

Again, the change in real income for SSI multiperson families that occurred between 1976 and 1980 was due largely to the effects of changes in earnings. On average, SSI maximum benefit levels kept pace (with a lag) with the CPI over the years from 1976 to 1980. Average benefits paid out to recipients in multiperson families actually increased by more than the CPI. The major reason for this is the increasing number of SSI recipients classified as living in their own household and, hence, not subject to the reduction in benefit applicable to those living in others' households.⁷

7. The percent of SSI recipients living in others' households (by the SSI program definition) has fallen in recent years from 9.2 percent at the end of 1977 to 8.2 at the end of 1978, 7.1 percent at the end of 1979, and 6.5 percent in early 1980. This information was obtained from the Office of Research and Statistics, Social Security Administration.

Despite this increase in SSI benefits, total income (including or excluding food stamps) increased very little--because of a large drop in earnings--so real incomes fell sharply. Although the size of SSI families declined a little from 1976 to 1980, the larger decline in real income from 1976 to 1980 caused a drop in the mean welfare ratio and a small increase in the incidence of poverty for this population (see Table B-3).

TABLE B-3. RELATIVE INCOME CHANGES FOR THE SSI POPULATION, FISCAL YEARS 1976 AND 1980

	<u>Multiperson SSI Families</u>		<u>Unrelated SSI Individuals</u>	
	1976	1980	1976	1980
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Ratio for Recipient to Total Population of Average Income				
Excluding food stamps	0.66	0.53	0.41	0.42
Including food stamps	0.67	0.53	0.42	0.43
Ratio for Recipient to Total Population of Average Family Size	1.04	0.98	1.00	1.00
Average Welfare Ratio				
Excluding food stamps	2.43	1.94	1.11	1.21
Including food stamps	2.46	1.98	1.14	1.25
Percent with Income Below the Poverty Line				
Excluding food stamps	18.0	19.0	52.0	54.0
Including food stamps	14.0	14.0	50.0	50.0

SOURCE: Special tabulation from CBO tapes.

NOTE: All income values are for the family unit, which may include people other than program recipients.

SSI recipients who are unrelated individuals are substantially poorer than those living in families, but their relative position improved slightly over the 1976 to 1980 period. SSI families have a relatively low incidence of poverty (14 percent), whereas unrelated individuals have a high incidence (50 percent). Here, the principal sources of family income are SSI and SS/RR benefits. Average SSI payments increased by less than the CPI, but this is apparently the result of the large increase in the average value of SS/RR payments received by these individuals. (After a small exclusion, SSI benefits are cut back dollar-for-dollar with Social Security receipts.) The large increase in SS/RR receipts for the SSI population between 1976 and 1980 was itself probably the result of two factors: (1) greater eligibility among the SSI population for Social Security benefits; and (2) higher Social Security benefits for those eligible because of the more favorable earnings history of more recent retirees.

The net result of changes in SSI and SS/RR receipts for unrelated individuals in the SSI population was a gain in real income and a small gain relative to the total population of unrelated individuals (see Table B-3). Average nominal income increased by 49 percent between 1976 and 1980. The mean value of the welfare ratio for this population increased slightly--from 1.1 to 1.2--and, when food stamps are included in the income measure, the incidence of poverty remained constant. When only money income is counted, however, the incidence of poverty increased slightly, from 52 to 54 percent.

Once again, SSI recipients in particular states may have fared worse (or better) than these nationwide average figures indicate.

The SS/RR Population. In terms of the level of their income, the Social Security population is in the best position of the three target groups examined here, but their real incomes declined between 1976 and 1980. While the CPI rose 35 percent over this period, the incomes of families receiving SS/RR payments rose 25 percent; the incomes of unrelated individuals receiving SS/RR payments rose 24 percent (see Table B-1).

This decline in purchasing power was not the result of the failure of SS/RR benefit levels to increase in step with the CPI. Since SS/RR benefits are essentially fully indexed to the CPI, changes in benefits closely approximated changes in the CPI over

the period from 1976 to 1980. Small differences may have occurred for a number of reasons: (1) benefit levels are adjusted to the CPI with a lag; (2) from 1972 to 1979, new Social Security recipients were overcompensated for historical changes in the CPI because of an error in the formula initially used for indexation; and (3) earnings of those receiving SS/RR benefits may change slowly over the years, thus changing average benefit levels.

SS/RR recipients lost ground relative to the average income of the total population because of a real decline in average earnings and private unearned income sources. This decline was not offset by reductions in family size, so that the average welfare ratio fell between 1976 and 1980 both for families and for unrelated individuals in the SS/RR population (see Table B-4).

Despite the fall in the average welfare ratio, the incidence of poverty for the SS/RR population also declined between 1976 and 1980. When only money income is considered, poverty incidence fell from 5 to 3 percent for multiperson families, and from 20 to 14 percent for unrelated individuals. With food stamps included in income, poverty incidence fell from 4 to 2 percent for families, and from 19 to 12 percent for unrelated individuals.

ESTIMATION METHOD

Income changes for a given target population may be examined in several ways. One way is to focus only on the maximum benefits guaranteed to the target population, ignoring changes in other components of their total income. If interest were limited to this, summary findings would be easy to come by. For example, the real value of maximum AFDC benefit levels for a family of four fell by about 19 percent, on average, across states. In contrast, maximum SSI benefits maintained almost constant real value. This is because, on average across states, the maximum optional state supplement to SSI rose at approximately the same rate as the federal SSI benefit, which is fully indexed to the CPI. The same is true of SS/RR benefits, which are fully indexed to the CPI (with a short lag). On the other hand, considerable variation across states is masked by this summary information. In some states (mostly in the West), AFDC benefit schedules have kept pace with inflation. In many states, SSI state supplement schedules have not.

TABLE B-4. RELATIVE INCOME CHANGES FOR THE SS/RR POPULATION,
FISCAL YEARS 1976 AND 1980

	Multiperson SS/RR Families		Unrelated SS/RR Individuals	
	1976	1980	1976	1980
Ratio for Recipient to Total Population of Average Income				
Excluding food stamps	0.81	0.79	0.91	0.77
Including food stamps	0.81	0.79	0.91	0.77
Ratio for Recipient to Total Population of Average Family Size	0.70	0.71	1.00	1.00
Average Welfare Ratio				
Excluding food stamps	4.03	3.71	2.47	2.27
Including food stamps	4.04	3.72	2.48	2.28
Percent with Income Below the Poverty Line				
Excluding food stamps	5.0	3.0	20.0	14.0
Including food stamps	4.0	2.0	19.0	12.0

SOURCE: Special tabulation from CBO tapes.

NOTE: All income values are for the family unit, which may include people other than program recipients.

In this appendix, changes in the total income of target population families have been examined in order to determine whether transfer program effects are offset by other income sources. To accomplish this purpose, the ideal data source would be a repeat survey (1976 and 1980) of the same target population families. That kind of data is not available. Instead, the data used here are from the annual Current Population Surveys (CPS).⁸ Because the families sampled in the CPS change from year to year, this means that the income differences observed from 1976 to 1980 are partly the result of changes in the composition of the target populations sampled, rather than solely of income changes for a fixed group of families.

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8. The March 1975 CPS was aged to represent fiscal year 1976. The March 1978 CPS was aged to represent fiscal year 1980; in addition, income imputations were made to account for under-reporting. For a description of the procedures see: Congressional Budget Office, Poverty Status of Families under Alternative Definitions of Income (June 1977); Analysis of Current Income Maintenance Programs and Budget Alternatives, Fiscal Year 1976, 1978, and 1982: Technical Documentation and Basic Output, Mathematica Policy Research (March 1977); and Pat Doyle, David Edson, Norma Pappas, and William Boulding, Creation of 1980 and 1984 Data Bases from the March 1978 Current Population Survey, Volume I, Mathematica Policy Research (February 19, 1980).

